

Warner Bros. Second Century Development Project City of Burbank Information and FAQs

Information:

Overview

Earlier this year, Warner Bros, HBO and Turner was acquired by AT&T. Warner Bros. is headquartered in Burbank, CA, primarily located in two campuses that it owns -- Warner Bros. Studios and the Warner Bros. Ranch. Jeff Worthe bought Burbank Studios in 2007. The site was formally called NBC Studios and housed Johnny Carson's "Tonight Show."

Warner Bros. will complete a purchase of a portion of the Burbank Studios in 2023, after two, new office buildings (Second Century Development Project) designed by renowned architect Frank Gehry are built. The purchase will move staff from the Ranch and approx. 1.4M square feet of rental property at various campuses into 1.5M square feet located on the Burbank Studio lot. As part of the purchase, in 2023 Warner Bros. will sell the Ranch site to Worthe.

Entitlements

The Second Century Development Project is already entitled for development, receiving its initial approval for development in 1997 and then an extension of the development rights in 2013 to March 19, 2024. In 1997, the City Council approved a Planned Development and Development Agreement for Burbank Studios, then called NBC Studios. At the time, the agreement allowed for a total of 1,825,865 office equivalent gross square feet ("OEGSF"), consisting of sound stages, media office buildings, and other facilities; and, of this amount, 658,195 OEGSF was transferred to The Pointe parcels (another Worthe-owned property), leaving 1,167,670 OEGSF remaining to be built.

As a condition to the development, the developer will demolish certain buildings and will be required to meet any mitigation measures triggered by the additional square footage mandated in the agreements and approvals. City staff will work with the developer to ensure these are implemented. Phase I will be ready for occupancy in 2022. Phase II will follow in 2023.

The Project

Jeff Worthe and his partner, Stockbridge Real Estate Fund, will construct two, LEED certified Frank Gehry-designed office buildings on the Burbank Studios, adjacent to the Warner Bros. main lot in the Burbank Media District. The 800,000-square-foot office building complex will consist of a seven-story building of approximately 355,000 square feet and a nine-story building of approximately 445,000 square feet. The complex will include a variety of amenities to create a campus-like setting. Except for the land the two new buildings will sit on, Warner Bros. will purchase The Burbank Studios from Worthe and Stockbridge.

Traffic/Parking

A new underground parking garage will be built as part of the development of the two new office buildings. This will add additional parking to the existing spaces already in place at the Burbank Studio site.

Traffic mitigations may be required with the project. Additionally, traffic alert notifications are placed on the [City website](#).

Because, the Second Century Project has already been approved with entitlements, other development projects

currently under review and recently approved have considered this project's impacts as part of their overall review and assessments. Additionally, the developer will be required to pay building fees and Development Impact Fees (DIFs). Some of these fees may go toward enhancing transportation infrastructure in and around the project site and within the Media District.

Construction

Groundbreaking is expected to take place in the fall of 2019, with construction of both phases expected to be completed by 2023. Occupancy of Phase I is expected in 2022, and Phase II occupancy will coincide with the Warner Bros.' centennial celebration in 2023.

LADWP currently has a construction project on the south side of Johnny Carson Park near this new project site. Luckily, City staff has been working closely with LADWP and will coordinate with both teams to ensure that construction that affects roadways be closely coordinated. Traffic and project alerts will be posted on the [City website](#) and social media.

Ranch Site

It is too early to know what future development may occur at the Ranch site as the sale of that property will not be completed until 2023.

Jobs

This project will look to centralize approximately 4,500 Warner Bros. employees who are currently located on and around its main studio lot (it's more than 3,500 when factoring in the Ranch). Once the project is complete in 2023 and the existing staff moves, then the vacated buildings will be backfilled. The timing to reach full capacity on the vacated buildings will be highly reliant upon market forces and demand at that time. Furthermore, the project will create a large number of construction jobs during the next four years.

Housing

While jobs in Burbank continue to increase, the City Council approved setting a goal to build 12,000 housing units during the next 15 years primarily along the transportation corridors in an effort to protect existing single family residences along with providing housing for people longing to work close to home. This will include affordable housing units. Additionally, the City has completed 241 units in the Media District at the Talaria project along with approving 275 units at First Street Village. The City Council will be considering additional housing projects within the upcoming months.

FAQ's

1. What will be built on the Burbank Studios site and what is the schedule?

Jeff Worthe and his partner, Stockbridge Real Estate Fund, will construct two Frank Gehry- designed office buildings on the Burbank Studios, adjacent to the Warner Bros. main lot in the Burbank Media District. The 800,000-square-foot office building complex will consist of a seven- story building of approximately 355,000 square feet and a nine-story building of approximately 445,000 square feet. Except for the land the two new buildings will sit on, Warner Bros. will purchase the remaining portion of The Burbank Studios from Worthe and Stockbridge.

Groundbreaking is expected to take place in the fall of 2019, with construction of both phases expected to be completed by 2023. Occupancy of Phase I is expected in 2022, and Phase II occupancy will coincide with the Studio's centennial celebration in 2023.

2. Besides the new Gehry-designed buildings, does the deal include other holdings?

Yes, as part of the transaction, Warner Bros. will sell our off-lot owned office buildings and the Ranch to Jeff Worthe/Catalina Media Development II, LLC and return a number of off-lot leased buildings to their respective owners.

3. Where exactly on the Burbank Studios property will the new office buildings be?

On the south side of the Burbank Studios property along the 134 freeway.

4. Will the new buildings be LEED certified?

Reflecting Warner Bros.' and Worthe's commitment to sustainability and environmental responsibility, the buildings will be built to LEED Certification standards.

5. Will there be parking?

Yes, a new underground parking garage will be built as part of the development of the two new office buildings, plus there is additional surface parking on the studio site.

6. What is the term of the lease for the two new Gehry-designed buildings?

The occupancy in mid-2022 for Phase I with an initial lease of 15 years and the occupancy in mid-2023 of Phase II with 16 years. Both leases have additional options that can extend each of our leases for up to 75 years total.

7. What square footage are is Warner Bros. vacating in your owned/leased buildings? What are you getting?

Warner Bros. will vacate approximately 1.4 million square feet of office space outside of our main lot and buy/lease 1.5 million square feet. The two new Gehry-designed office buildings will be approximately 800,000 square feet, in addition to the more than 700,000 additional square feet that comes with the purchase of the Burbank Studios (the portion that Worth Real Estate Group does not retain). A net gain of 100,000 square feet.

8. When will Warner Bros. sell the Ranch and buy the remaining portion of the Burbank Studios?
2023

9. Why is Warner Bros. selling the Ranch?

The Burbank Studios offers a better quality of, and a greater number of, production office space and soundstages, which expands our production capacity. It will also afford Warner Bros. the option to expand its campus contiguously to the north and enable most of Warner Bros.' employees and productions in Burbank to be housed on a studio campus controlled and secured by Warner Bros. The Burbank Studios have 8 soundstages vs. 5 at the Ranch. The Burbank Studios also has more production office space and a commissary.

10. Will Warner Bros. be tearing down any of the current Burbank Studios facilities?

Worthe Real Estate Group will be demolishing a large warehouse building and three small bungalows near the warehouse to build the two new buildings.

11. Will Warner Bros. be connecting Burbank Studios to the current Warner Bros. lot?

We are evaluating the potential options to connect the two properties. We're evaluating all possibilities, but the conversations are very preliminary. More details to come.

12. When do Warner Bros. employees move to the Gehry-designed office buildings?

Phase I will be ready for occupancy in 2022. Phase II will be ready for occupancy in 2023.

13. How many employees will move to the Burbank Studios?

Initially, approximately 3,500 Warner Bros. employees into the new office buildings and then hundreds more into the studio side of Burbank Studios.

14. How long has this project been in the works?

The idea was first identified approximately seven years ago as part of a Warner Bros. real estate strategic planning effort.

15. How will the new buildings impact traffic in the area?

The Development Agreement covering The Burbank Studios property, approved by the City of Burbank in 1997, provides for the construction of the new office buildings. The Development Agreement process included a detailed review and analysis of traffic impacts.

16. What amenities are in the new buildings?

The new buildings will have amenities that are conducive to fostering a connected, innovative, and creative workspace. More details to come.

17. How will the triggers for Conditions of Approval (e.g., traffic signal or roadway improvements) contained in the Main Lot and Ranch Development Agreements (DA) be allocated between Warner Bros. and Catalina Media Development II, LLC (Catalina)?

Many of the conditions are specific to either the Main Lot or the Ranch Lot, so the responsibility for those conditions will generally remain with the Lot they relate to under the respective Development Agreement (e.g., the new traffic signal at Verdugo and Clybourn is Ranch related). If the condition is not specifically triggered by development on a particular lot, then complying with the condition will be the responsibility of whichever lot is moving forward with the new development that triggers a particular condition based on cumulative square footage.